



Karen L. Fields, Director

PHS

Pima Health System

3950 S. Country Club Rd., Suite 400 • Tucson, Arizona 85714 • (520) 243-8000

May 20, 2008

Michael Veit, Contracts and Purchasing Administrator
AHCCCS Administration
801 E. Jefferson Street, MD 5700
Phoenix, AZ 85034

Re: Request for capped enrollment

Dear Mr. Veit:

Please consider this correspondence as an addendum to my letter dated May 13, 2008 requesting to have Pima Health System's (PHS) enrollment capped.

In addition to the reasons cited in my previous letter, it is in the best interest of the State of Arizona to grant this request for the following reasons:

- A capped contract would provide the opportunity for PHS' currently enrolled AHCCCS acute care members to experience continuity of care.
- In the event any of the Offerors who have been awarded a contract should fail to meet AHCCCS' expectations for financial viability, program, network, or organizational readiness, Pima Health System would provide AHCCCS with the capacity to ensure those members are served by an established and experienced health plan.
- As demonstrated by the quality of the narrative component of our bid response, Pima Health System has the knowledgeable, dedicated staff, provider network and organizational structure to continue providing high quality services to AHCCCS acute care members.
- Unique to Pima Health System among AHCCCS Program Contractors, the Pima County Board of Supervisors passed Resolution 2004-307, providing for the financing of the Community Services System to ensure continual home and community-based service provision to eligible Pima County residents. Without Pima Health System's AHCCCS acute care contract, this funding is in jeopardy, which would affect frail, elderly and younger physically disabled residents of Pima County. A copy of this resolution is attached for your reference.

In the event it is not awarded a capped enrollment agreement, Pima Health System reserves the right to protest the capitation development procedure within the AHCCCS RFP YH09-0001 process.

Sincerely,


Karen L. Fields
Pima Health System Director

c: Rodd Mas, DHCM
C.H. Huckelberry, Pima County Administrator
Dennis Douglas, Deputy County Administrator for Medical and Health Services